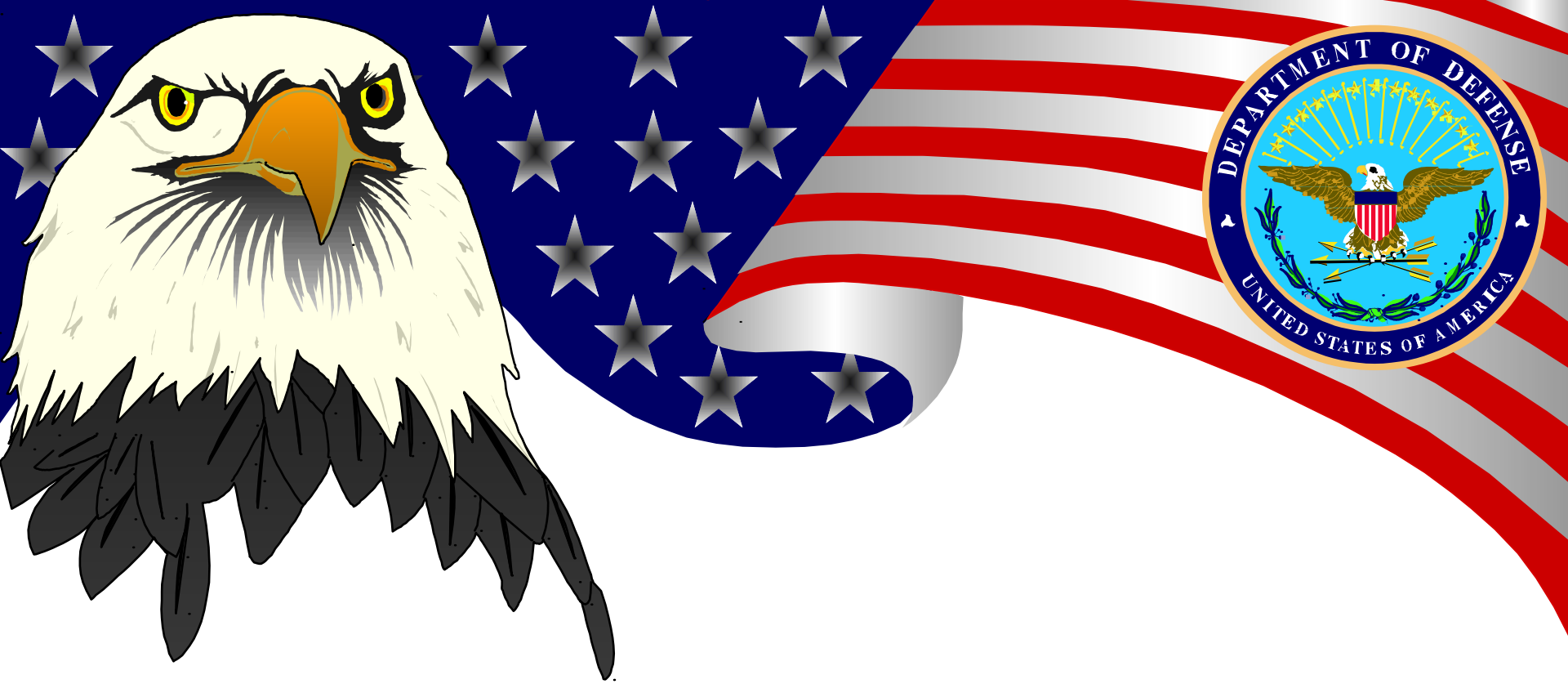


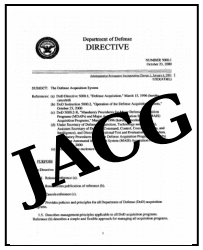
Performance-Based Logistics

17 June 2003

QDR Direction

- Project and sustain the force with minimal footprint
- Implement performance-based logistics to improve readiness for major weapon systems and availability of commodities
- Reduce cycle times to industry standards

Performance-Based Logistics



Reengineer Product Support

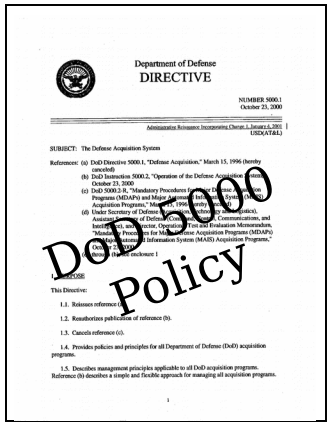
Oversight via R-TOC Forum

30 Pilot Programs

Operational Demonstrations

Lessons Learned

Adjustments



Oversight via DAB/DAES

New program implementation

- **F/A-18 E/F**
- **JSTARS**

Quadrennial Defense Review

- **Performance-Based Logistics**
- **Legacy Systems**
- **FY03 DPG**
- **Service Implementation Schedules**

- **CY02/03 PEO/SYSCOM**
- **PM Roundtable**
- **AIA Product Support**

A joint, disciplined program to successfully implement

Performance-Based Logistics

Real-Time System Status

Industry/Government

Partnerships

Buys Performance As a Package
(Including Surge/Flexibility)

Weapon System Manager

Force Provider

PBA

PBA

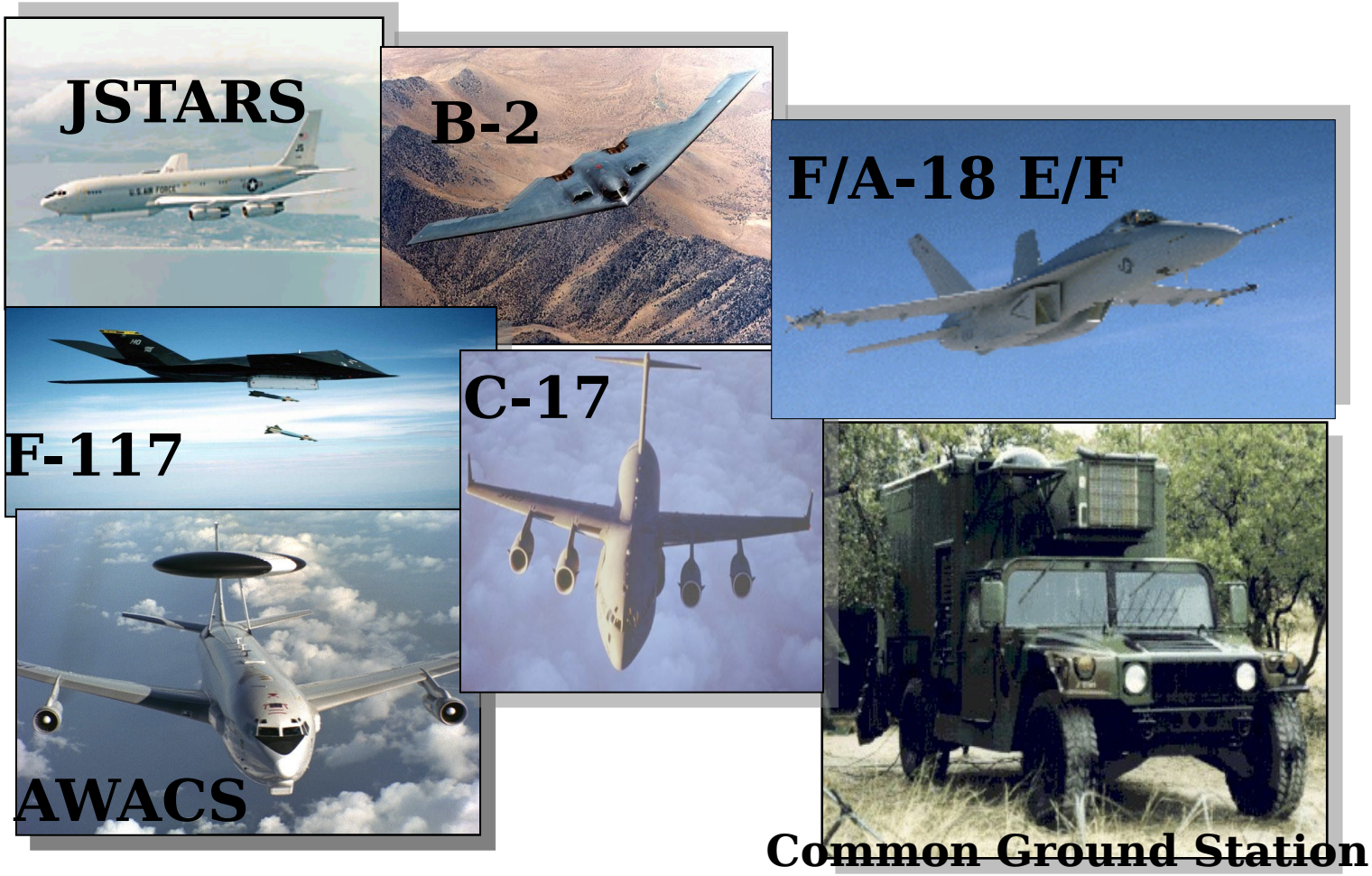
Ensure system is sustained at optimum level per PBA

Provide continuous, reliable, affordable support per PBA

Acquisition ***Sustainment*** ***Disposal***

Visibility into cost/risk decisions across life cycle

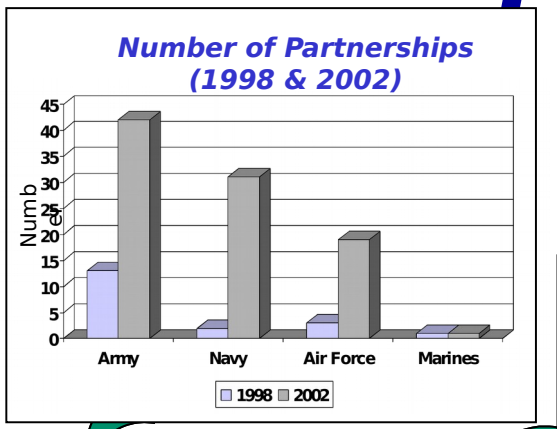
PBL Programs in OIF



Delivering Capability

Weapon System Sustainment Roadmap

- PM accountable for life cycle
- JROC established sustainment requirements
- Enabling Depot legislation
- Revised Maintenance Policy
- Industry Supply Chains
- Reengineered Training

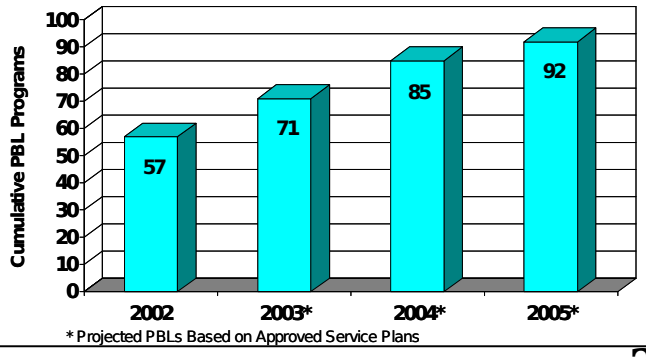


- Joint Strike Fighter
- Future Combat System
- Advanced Amphibious Assault

Today

- Suppressed Readiness
- Marginal reliability
- Fractionated Accountability
- $67B/year
- Huge footprint

PBL Implementations

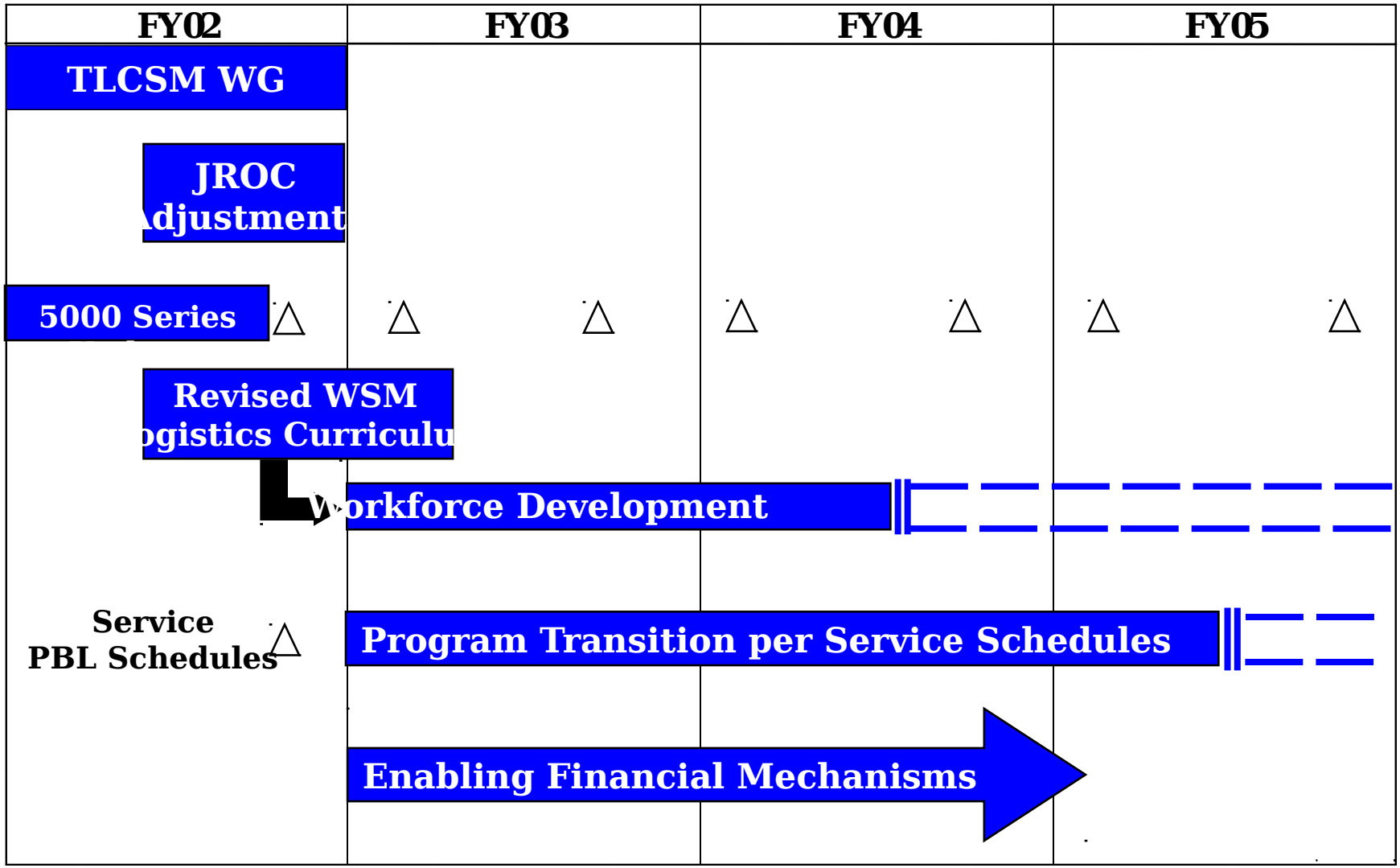


- Financial Reform (PR05)
- Single-line Accounting
- Life Cycle Cost Management
- Operational requirements synchronized with PBBS

- **Warfighter-driven readiness**
- **Ultra-reliability**
- **Clear PM accountability**
- **Minimal Footprint**

2000 **2005** **2015**

Road Ahead



On Schedule

Emerging Issues

- Industry wrap-rates on performance contracts
- Product Support enabling financial processes
- Integration of PBL strategies and DLA consumable management
- Evolution of PM toolkit to support PBL